

CONDO VILLAS OF GATLINBURG ASSOCIATION  
d/b/a FOOTHILLS PROPERTY, INC.

REC'D TN  
REGULATORY AUTH.

K. DAVID WADDELL  
TENNESSEE REGULATORY AUTHORITY  
460 JAMES ROBERTSON PARKWAY  
NASHVILLE, TENNESSEE 37243-0505

'00 AUG 3 AM 9 25

CLERK OF THE  
EXECUTIVE SECRETARY

Re: PETITION OF CONDO VILLAS ASSOCIATION TO ACQUIRE ASSETS OF  
FOOTHILLS PROPERTY INC.

DOCKET #00-00046

DEAR MR, WADDELL:

IN REFERENCE TO THE ABOVE PETITION, AND AS A RESPONSE TO YOUR  
LETTER (attached), WE WILL CLARIFY THE FOLLOWING:

1. THE ASSOCIATION WILL CONTINUE TO OPERATE THE UTILITY UNDER THE NAME OF FOOTHILLS PROPERTY INC. OUR PETITION WAS ONLY REQUESTING THAT THE EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY CURRENTLY HELD BY FOOTHILLS PROPERTY, BE APPROVED BY THE REGULATORY AUTHORITY AND ISSUED TO THE CONDO VILLAS ASSOCIATION INC, d/b/a/ FOOTHILLS PROPERTY INC. PER MY TELECOM WITH YOUR OFFICE 7/27/00 THIS MATTER APPEARED TO BE "ROLLING OVER" THE EXISTING CERTIFICATE, ALLOWING FOR A DATE OF PRESENT OPERATING STATUS.
2. WHEN TONY GLEN RAST OPERATED FOOTHILLS PROPERTY, THE MANAGER /AGENT OF CONDO VILLAS ASSOCIATION, OVERSAW WATER PROVISIONS. THE SAME PERSONNEL WILL CONTINUE TO OVERSEE ALL PHYSICAL OPERATIONS, AND COMPENSATE THE EXISTING CPA FOR THE ASSOCIATION, TO MAINTAIN THE NECESSARY NARUC SYSTEMS FOR ACCOUNTING FOR LASS "C" UTILITIES.
3. THE ASSOCIATION IS NOT REQUESTING A RATE CHANGE AS OF THIS DATE. THE IMPLIED "INCREASED ECONOMICS", WILL ONLY BE IMPACTED WHEN THE ASSOCIATION MEMBERSHIP DECIDES TO USE METERS FOR USAGE DATA, CHARGED ACCORDINGLY, AND ALLOW FOR A STRONGER CONTROL OF CONSUMPTION. THIS MATTER IS A SCHEDULED AGENDA ITEM AT THE ANNUAL MEETING, SEPTEMBER 23, 2000. ONCE DECIDED, SHOULD A RATE INCREASE BE REQUIRED, WE WILL APPLY FOR SAME THROUGH THE PROPER CHANNELS.

I SINCERELY HOPE THIS HELPS CLARIFY YOUR REQUEST. SHOULD YOU HAVE ANY QUESTIONS OR REQUIRE FURTHER INFORMATION, PLEASE CONTACT EARL BAIRD AT 865-436-5092.

SINCERELY,



EARL BAIRD (MANAGER\_AGENT)